



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

June 25, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

Budget Conference Committee

The Budget Conference Committee has not met since Friday, June 20, 2008. According to our Sacramento advocates, the Committee remains on the call of the Chair and may not convene any earlier than Thursday, June 26, 2008.

Pursuit of a County Position on Budget Items

Human Services Funding Deficit. The Governor's FY 2008-09 Proposed Budget and May Revision contain a number of proposals to reduce county administrative funding for various human services programs. Also, the May Revision did not include any proposals to provide cost of doing business adjustments to adequately fund various human services programs that counties administer on behalf of the State.

Counties are legislatively mandated to administer programs such as Adoptions, Adult Protective Services, CalWORKs, Child Welfare Services, Food Stamps Administration, Foster Care Eligibility, and In-Home Supportive Services. The administrative funding for these programs has been frozen since 2001. As a result, the responsibility for cost increases related to salaries, health benefits, workers compensation, leases, utilities, and other costs has been shifted to counties. As part of the FY 2006-07 State Budget negotiations, the Legislature adopted AB 1808 (Chapter 75, Statutes of 2006) which requires the California Department of Social Services (CDSS), in consultation with the County Welfare Directors Association (CWDA), to estimate the actual costs for counties

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to administer human services programs on behalf of the State. In the Governor's May Revision, CDSS estimated that counties are under-funded by \$1.063 billion (\$633 million State General Fund) for the administration of these programs. Based on this estimate, Los Angeles County's share of this under-funding is \$321.1 million.

In addition, counties are subject to numerous accountability and performance measures in administering these programs on behalf of the State. These measures are based on the assumption that counties are adequately funded to meet program requirements, despite such programs only being funded at 2001 levels. To the extent that accountability or performance measures are not met, the State and counties could be subject to Federal penalties. Therefore, the lack of adequate State funding for these programs strains the ability of counties to meet program standards. The California State Association of Counties, the Urban Counties Caucus, the Regional Council of Rural Counties and CWDA are seeking trailer bill language to align program expectations with funding, and indemnify counties from potential penalties and corrective actions for these under-funded programs.

As such, consistent with Board-approved policy to support proposals to ensure full funding for Child Welfare Services, increased funding for Adult Protective Services, and to oppose efforts to make counties responsible for any penalties resulting from circumstances beyond county control including inadequate Federal and State administrative funding, **our Sacramento advocates will support proposals to adequately fund these critical human services programs and pursue language which would exempt the County from penalties and corrective actions as a result of the State's failure to provide sufficient funding for these programs.**

Status of County Advocacy Legislation

County-supported AB 860 (Salas), as amended on May 20, 2008, which would extend authority for a board of supervisors to impose a fee upon vehicles registered within its county to fund programs related to motor vehicle theft until January 1, 2018, was approved by the Senate Appropriations Committee on Monday, June 23, 2008 by a vote of 10 to 3 and now proceeds to the Senate Floor.

We will continue to keep you advised.

WTF:GK:MAL
DD:IGA:mp

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association